

24 May 2021

Mr Stephen Palethorpe
Secretary
Senate Environment and Communications Legislation Committee
By email: ec.sen@aph.gov.au

Dear Mr Palethorpe

Australia Post inquiry hearings 27 April 2021 & 3 May 2021 – Clarifications

On 27 April 2021 and 3 May 2021 Australia Post representatives appeared as witnesses before the Environment and Communications References Committee (Committee) in connection with the Australia Post inquiry. During the hearings, Australia Post witnesses answered questions about various matters. The purpose of this letter is to clarify for the Committee the evidence provided by Australia Post witnesses at the hearings.

In his opening statement of 3 May 2021, Australia Post Chair Mr Lucio Di Bartolomeo said "*...Australia moved on...*". To clarify, this was an unintended misstatement. As recorded in the copy of the opening statement tabled with the Committee contemporaneously, the statement intended was "*...Australia Post moved on...*".

During the hearing on 3 May 2021, Mr Di Bartolomeo was asked by the Chair if he "*gave the resignation letter and information to the minister's office*". Mr Di Bartolomeo stated "*I certainly rang him. I'm not 100 per cent that I gave him the letter, but I probably did.*". To clarify, as stated by Mr Di Bartolomeo at the hearing on 13 April 2021, he emailed a copy of Ms Holgate's resignation correspondence (received at 10:46am on 2 November 2020) to Minister Fletcher's Chief of Staff and to the Deputy Secretary of the Department of Finance's Commercial and Government Services branch (at 11:45am on 2 November 2020).

During the hearings, Senators asked Australia Post witnesses a number of questions relating to the BCG Review and the Chair clarified (on 27 April 2021) that he had seen a final draft report. Further (noting that a public interest immunity claim has been made by the then Minister for Finance on 20 July 2020 in relation to the BCG Review), Australia Post acknowledges that a representative of the Department of Finance on 21 February 2020 emailed a copy of a document both labelled and referred to as a 'final draft' of the BCG Review report to the Australia Post Chair, copying Ms Christine Holgate, and that the email identified that this version of the report would be presented by Shareholder Departments to Shareholder Ministers.

This is consistent with the statements of various board members provided in Senate hearings over the last year, including:

- Mr Di Bartolomeo's statements on 13 April 2021: "Yes, I did see a draft of the BCG report. It was presented to the board in a lengthy presentation";
- Mr Bruce McIver's statement on 27 April 2021: "That day in February, we were told what was in the draft, and it was only a draft"; and
- Ms Holgate's statement on 8 July 2020 to the Senate Environment and Communications Legislation Committee: "I don't know if I've seen the final copy. It's not my report; it went to government."

Whether a report on the BCG Review was finalised, presented to Shareholder Ministers, made available to other Government representatives and/or considered by Cabinet, are matters for Government.

During the 3 May 2021 hearing, in responding to questions from Senator Hanson relating to the Community and Consumer Leadership awards event known as the Isaac Awards, Australia Post witnesses indicated that the awards involved posties and LPOs. To clarify, the awards recognise the work of our frontline and operational staff in our Community & Consumer business unit (ie post office, customer contact centre, and operations focused employees), but do not involve postal delivery officers from our Deliveries business unit or extended workforce representatives (ie representatives in delivery contractors or LPOs).

During the 3 May 2021 hearing Senator Carr asked the Australia Post Chair to reconcile the statements made by Australia Post board member witnesses that the board at no time discussed privatisation, and that there were no recommendations in the version of the BCG Review report seen by the Australia Post Chair. To clarify:

- Australia Post notes the statements made by Australia Post board members during the hearing that the Australia Post board members have not (during their tenures) engaged in discussion relating to privatisation. Whilst acknowledging the Board received a presentation from BCG on 20 February 2020 of the work BCG had undertaken, that presentation involved the Board being informed at a summary level of BCG's work but did not involve a discussion by the Board of all aspects of BCG's work, nor did it involve consideration of privatisation;
- this position was confirmed in the Australia Post Chair's opening statement of 3 May 2021 - "There is no secret privatisation agenda. Privatisation has consistently been ruled out by government, and I can confirm to the committee that it has never been discussed by the board." - and has been reiterated and confirmed by board members on a number of occasions during the hearings;

- during the 3 May 2021 hearing Senator McKenzie stated that all board members providing evidence at the 27 April 2021 hearing had said during that hearing that the privatisation of Australia Post or any of its subset businesses was not something that any board members would be entertaining;
- board members providing evidence on 27 April 2021 expressed - notably in response to a question from Senator Fawcett about whether a proposal had been taken to the board to privatise either Australia Post in its entirety or the parcel business of Australia Post - that the subject of privatisation has never arisen, had not been the subject of any discussion, and had never been the subject of a discussion request from Shareholder Ministers. A number of Board members commented at that hearing that they would be against any such privatisation, and other Board members expressed equivalent statements on 3 May 2021; and
- Australia Post acknowledges that recommendations are included in documentation relating to the BCG Review such as the documentation tabled with the Committee by Ms Holgate. As has been reiterated and confirmed by board members on a number of occasions during the hearings, the BCG Review report has not been discussed by the board after the 2020 February 2020 presentation.

During the 3 May 2021 hearing, in response to a question from Senator Henderson about whether Ms Holgate had ever suggested to Mr Di Bartolomeo that some of the temporary regulatory relief measures should be imposed on a permanent basis, Mr Di Bartolomeo stated that it was not discussed as long term. To clarify (while noting that a public interest immunity claim has been made by the then Minister for Finance on 20 July 2020 in relation to the 31 March 2020 letter to Shareholder Ministers seeking regulatory relief), on 6 April 2020 Ms Holgate:

- requested, via communication to Shareholder Department representatives, that the priority letters service be removed permanently; and
- then shared that communication with the Board.

The temporary regulatory relief did not accommodate that request.

Sincerely

Nick Macdonald
General Counsel and Corporate Secretary